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SUBJECT: NSC'S BADER AND ROSS TALK IRAN, DPRK, MIL-MIL WITH
PARTY OFFICIAL

Classified By: Deputy Political Section Chief
Ben Moeling. Reasons 1.4 (b), (d).

Summary

1. (C) Communist Party International Department Vice Minister Liu Jieyi, in an October 26 meeting with NSC Senior Directors Jeffrey Bader and Dennis Ross, stressed China's efforts to support a dual track approach to Iran. Responding to Ross' calls for the P5-plus-1 to maintain unity and keep pressure on Iran, Liu said China supported Security Council resolutions but still emphasized patience so long as a diplomatic solution seemed possible. China believed Iran could have a peaceful nuclear program "minus enrichment." On North Korea, Bader said that the United States was willing to meet bilaterally with the DPRK, but North Korea could not delay indefinitely its return to the Six-Party Talks. Liu said China wanted to see a quick restart of the Six-Party Talks and denuclearization remained the key objective. Liu offered an upbeat assessment of U.S.-China relations but urged the United States to avoid trade protectionism and carefully handle the "sensitive issues" of Tibet, Xinjiang and Taiwan. Liu also advocated restoring mil-mil exchanges and argued that traditional strategic status-quo-versus-rising power paradigms no longer applied in the age of globalization. Liu also briefed Bader and Ross on the Chinese Communist Party's International Department efforts to start party-to-party dialogue with U.S. political parties, saying these exchanges would promote deeper, long-term discussion of key issues between the United States and China. End Summary.

Iran

2. (C) In an October 26 meeting with Communist Party International Department Vice Minister Liu Jieyi, NSC Senior Director Dennis Ross stressed the need for the P5-plus-1 to maintain pressure on Iran and establish clear benchmarks for progress. While the United States and China shared the same objective with respect to Iran, the United States had a greater concern with the pace of the Iranian nuclear program and the potential impact on the region. The United States was willing to engage Iran directly, but Iran appeared to be participating in talks mainly as a way to reduce international pressure while doing nothing to change its behavior. Iran wanted to use dialogue to split the P5-plus-1, and Ambassador Ross urged China to continue to support the dual-track approach of engagement and pressure. Dependable access to the region's energy depended

upon stability. If Iran developed nuclear weapons, then Saudi Arabia would want to follow suit, and Israel would not accept a nuclear Iran, and was unlikely to be dissuaded from using force if it felt Iran with nuclear weapons posed a threat to its survival. Ambassador Ross encouraged China to conduct more talks with regional players, including Saudi Arabia and the United Arab Emirates. Ross added that the fact that he was in Beijing to discuss the Iranian nuclear issue had made an impression on Iran and others in the region.

13. (C) Liu responded that China opposed Iran's recent actions and had told Iran directly that China supported the dual track approach. Iran, Liu asserted, was "not happy" with the measures China had taken to support Security Council resolutions. Nevertheless, China "emphasizes patience because we see the possibility of a negotiated settlement and we do not want to see events unfold in a way that closes this window." China agreed that a military solution must be avoided since it would create long-lasting and serious ramifications. The sides must "apply the right pressures at the right time." China was sensitive to important internal discussions inside Iran and a period of "fermentation" was needed before the Iranians could decide their response to the UN proposal to let Iran send its uranium abroad for enrichment. China was constantly working with Iran through multiple channels and was open to discussing different Iran-related scenarios with the United States. Iran, in

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China's view, could develop nuclear technology for peaceful purposes "minus enrichment." There was no convincing rationale for Iran to maintain its enrichment program, Liu said. Liu offered that China should talk more to regional leaders, especially Saudi Arabia and Israel.

North Korea

14. (C) NSC Senior Director for Asian Affairs Jeffrey Bader remarked that Chinese Premier Wen Jiabao's recent visit to Pyongyang had brought good results. The United States was following through on those opportunities and preparations were underway for a visit by Special Representative for North Korea Policy Stephen Bosworth to Pyongyang. Special Envoy for the Six-Party Talks Sung Kim had just concluded a meeting in New York with North Korean negotiator Ri Gun, during which Kim laid out the circumstances under which the Bosworth visit could go forward to achieve results. While North Korea had said it would return to the Six-Party Talks pending a good bilateral exchange with the United States, the DPRK should not be allowed to unilaterally determine what constitutes progress. China should "keep a stopwatch" and help ensure North Korea's timely return to the Six-Party Talks. Liu responded that the Six-Party Talks were very important and should resume soon. Denuclearization of the Korean Peninsula remained the most important objective. Any U.S.-DPRK dialogue should be framed as being part of the Six-Party Talks, Liu said.

Trade Protection, Tibet, Xinjiang

15. (C) Asked by Bader to give his assessment of bilateral relations, Liu Jieyi offered a positive review of U.S.-China ties under the Obama Administration. The two sides saw more opportunities for close cooperation within the

framework of a "positive, cooperative, and comprehensive" relationship. Many world challenges could only be dealt with effectively if the United States and China worked together. Challenges to the relationship remained, however, and both sides must resist the temptation to engage in trade protectionism and should carefully handle the "sensitive issues" of Tibet, Xinjiang, and, "to a certain extent," Taiwan, though, Liu added, the cross-Straits situation had improved. Bader said that while individual trade disputes might arise, he saw no danger of either the United States or China adopting broadly protectionist policies. Both sides, however, should be vigilant to prevent trade barriers from being erected piecemeal. Ambassador Bader said the United States did not challenge China's sovereignty over Tibet and Xinjiang but Americans were genuinely concerned about the situation in these regions. Non-governmental dialogue on these issues, Bader suggested, could help, since official exchanges on Tibet and Xinjiang tended to be "predictable and sterile."

Mil-Mil

16. (C) Liu asserted that the "prevailing view in China" was that the two sides should improve mil-mil ties. The PLA, Liu predicted, would be responsive to U.S. overtures for more dialogue and such exchanges would become more frequent as the mil-mil relationship "took off." Bader noted that there was suspicion verging on hostility among some military leaders. Some in the PLA, Bader said, did not see the point of mil-mil contacts and believed that, if it was something the United States wanted, then it must be a bad thing for China. The PLA leadership too often viewed mil-mil exchanges as a zero-sum game and it was dangerous for the militaries to have such a lack of understanding about each other's strategic perspective.

17. (C) Liu remarked that the old "zero-sum strategic models" of status-quo versus rising power should be reconsidered in the context of globalization and converging U.S.-China interests. Over the last 30 years, the United States and China had become closer

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even as both countries grew stronger. In the era of globalization, Liu continued, the relationships between big powers were fundamentally different than in the past. China and the United States must take a long-term view and cooperate on non-proliferation and climate change. Occasional differences in approach to issues such as North Korea and Iran notwithstanding, Liu said, China saw a window of opportunity to cooperate towards common goals.

Party-to-Party Dialogue

18. (C) Vice Minister Liu said the CCP International Department was preparing to host a new CCP-Democrat-Republican dialogue in December, which would be the first such exchange between U.S. and Chinese political parties. Liu said that while the Democrats were prepared to send a delegation, the Republican Party was having difficulty deciding on appropriate representatives and might miss the first round. Liu said party-to-party dialogue would offer a chance for in-depth discussion about long-term trends and would allow each side to understand the policy orientation and world view of the other. Bader urged the CCP International Department to pursue dialogue simultaneously with both the

Democrats and Republicans to avoid creating the impression that China is a partisan issue in the United States. Liu responded that regardless of the difficulties the Republican Party might have in participating in the initial round, the dialogue would operate in a tri-party format. Liu added that it may occur as early as December this year.

19. (U) Ambassadors Bader and Ross cleared this cable.
HUNTSMAN